



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

RICHARD L. TRUMKA
PRESIDENT

ELIZABETH H. SHULER
SECRETARY-TREASURER

ARLENE HOLT BAKER
EXECUTIVE VICE-PRESIDENT

LEGISLATIVE ALERT!

(202) 637-5057

September 20, 2011



Dear Representative:

The AFL-CIO strongly opposes H.R. 2309, the "Postal Reform Act of 2011" introduced by Representative Darrell Issa. While this legislation claims to save the United States Postal Service (USPS), in fact it gravely threatens USPS by undermining its service standards, its dedicated workforce, the collective bargaining process and the postal network.

Over the past 40 years, the USPS and its unions have reached agreements that generally track inflation and have never caused a single work stoppage. As a result of productivity gains, the USPS has been able to expand its network, increase its reliability, deliver more mail with a smaller workforce and eliminate all government subsidies. This has benefitted the Postal Service, its employees and the general public. It has kept postage rates among the lowest in the world and service standards among the highest. H.R. 2309 would reverse these gains.

H.R. 2309 creates a solvency authority empowered to reject or terminate existing collective bargaining agreements. The solvency authority could unilaterally modify collective bargaining agreements any time the USPS defaults on any obligation to the federal government for more than 30 days and usurps the current Board of Governors.

H.R. 2309 fails to address the main cause of the Postal Service's financial difficulties: a unique Congressional mandate in the 2006 Postal Accountability and Enforcement Act requiring the USPS to pre-fund the healthcare benefits of future retirees (some of whom have not yet been born) at a cost of more than \$5.5 billion per year. H.R. 2309 completely ignores the fact that the USPS has massive surpluses in its pension accounts. The overpayments could and should be used to resolve the Postal Service's cash crisis. The federal government is holding billions of dollars of excess postal payments to Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS). The USPS has a surplus of \$6.9 billion in its FERS account, and according to two independent actuarial studies, has overpaid the CSRS account by \$50 billion to \$75 billion. Absent these Congressionally-mandated payments, the USPS would have been a break-even venture during the entire current recession.

H.R. 2309 would drastically reduce service to the American people by eliminating Saturday delivery and establishing a commission to summarily close post offices and processing facilities. More than 100,000 postal workers -- many of whom are veterans -- would lose their jobs. Additionally, at the expiration of the current collective bargaining agreements, HR 2309 would increase employees' costs for healthcare coverage and life insurance and eliminate the right to bargain over these benefits.

In sharp contrast to H.R. 2309, “The United States Postal Service's Pension Obligation Recalculation and Restoration Act” (H.R. 1351) introduced by Representative Stephen Lynch, would allow the USPS to use the billions of dollars in pension overpayments to meet its financial obligations. It would address the cause of the USPS financial crisis without cutting pay, reducing benefits, eliminating collective bargaining rights or slashing service.

The AFL-CIO strongly urges you to reject H.R. 2309 and support H.R. 1351, the United States Postal Service’s Pension Obligation Recalculation and Restoration Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'William Samuel', written in a cursive style.

William Samuel, Director
Government Affairs Department